



## STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
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BETTY T. YEE  
Acting Member  
First District, San Francisco

BILL LEONARD  
Second District, Sacramento/Ontario

CLAUDE PARRISH  
Third District, Long Beach

JOHN CHIANG  
Fourth District, Los Angeles

STEVE WESTLY  
State Controller, Sacramento

RAMON J. HIRSIG  
Executive Director

## STATE BOARD OF EQUALIZATION MEETING

## Preliminary Record of Board Actions

The following is a preliminary record of Board actions taken at the July 18, 2006 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions are the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone (916) 322-2270 or e-mail: [cathy.stroh@boe.ca.gov](mailto:cathy.stroh@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

**Legislative Committee Meeting** - Please see Page 13, **O. Approval of Board Committee Minutes**, for voting results.

## BOARD MEETING

**A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS**  
There are no items for this matter.

**B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARING**

B1. Clifford F. Swanke, 328680

| <u>DECISION</u>          | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|--------------------------|-----------------------|-------------------|
| Taxpayer's Appeal Denied | Mr. Leonard           | Yes               |
|                          | Mr. Parrish           | Yes               |
|                          | Mr. Westly/Ms. Mandel | Yes               |
|                          | Ms. Yee               | Yes               |
|                          | Mr. Chiang            | Yes               |

**C. SALES AND USE TAX APPEALS HEARINGS****C1. Vernon C. Sorenson, MD., PC., 255501 (UT)**

| <b><u>DECISION</u></b>  | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|---|-----------------------|--------------------------|
| Taxpayer's Petition Partially<br>Granted/Denied   | Mr. Leonard           | Yes                      |
|   | Mr. Parrish           | No                       |
|   | Mr. Westly/Ms. Mandel | Yes                      |
|   | Ms. Yee               | Yes                      |
|   | Mr. Chiang            | Yes                      |
| Chairman Chiang referred<br>Regulation 1593, <i>Aircraft and<br/>Aircraft Parts</i> , to the Business<br>Taxes Committee to issue a Notice<br>of Discussion regarding the<br>"common carrier" and "common<br>carriage" terminology. |                       |                          |

**C2. Pafinco, 217918 (EA) – Appearance Waived**

| <b><u>DECISION</u></b>                          | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|---|-----------------------|--------------------------|
| Taxpayer's Petition Partially<br>Granted/Denied | Mr. Leonard           | Yes                      |
| Approved Revised Staff<br>Recommendation        | Mr. Parrish           | Yes                      |
|   | Mr. Westly/Ms. Mandel | Yes                      |
|   | Ms. Yee               | Yes                      |
|   | Mr. Chiang            | Yes                      |

**C3. Philip O. Hamilton, 260719 (KHE) – No Appearance**

| <b><u>DECISION</u></b>   | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|--|-----------------------|--------------------------|
| Taxpayer's Petition Partially<br>Granted/Denied  | Mr. Leonard           | Yes                      |
|  | Mr. Parrish           | Yes                      |
| On the advice of counsel, that the<br>Bankruptcy Court's Automatic Stay<br>does not prevent the Board from<br>determining liability, approved staff<br>recommendation. | Mr. Westly/Ms. Mandel | Yes                      |
|  | Ms. Yee               | Yes                      |
|  | Mr. Chiang            | Yes                      |

## C4. Litton Systems, Inc., 260932 and 261345 (AC) – Appearance Waived

| <b><u>DECISION</u></b>                                | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|---|-----------------------|--------------------------|
| Taxpayer's Petition/Claim Partially<br>Granted/Denied | Mr. Leonard           | Yes                      |
| Approved Revised Staff<br>Recommendation              | Mr. Parrish           | Yes                      |
|   | Mr. Westly/Ms. Mandel | Yes                      |
|   | Ms. Yee               | Yes                      |
|   | Mr. Chiang            | Yes                      |

## D. SPECIAL TAXES APPEALS HEARING

## D1. California Automobile Insurance Company, 127684 and 139404 – “CF”

| <b><u>DECISION</u></b>  | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|---|-----------------------|--------------------------|
| No Final Board Determination  | Mr. Leonard           | Yes                      |
| Ordered that Taxpayer be granted<br>30 days to submit post hearing<br>documentation, the Department of<br>Insurance 30 days to respond and<br>the Appeals Division 30 days to<br>prepare a recommendation to the<br>Board | Mr. Parrish           | Yes                      |
|   | Mr. Westly/Ms. Mandel | Not Participating        |
|   | Ms. Yee               | Yes                      |
|   | Mr. Chiang            | Yes                      |

## E. PROPERTY TAX APPEALS HEARINGS

There are no items for this matter.

**F. PUBLIC HEARING**

- F1 Proposed Amendments to Sales and Use Tax Regulation 1602, *Food Products* Amendments to Regulation 1602 are proposed to provide a clear standard for taxing sales of combination packages that include food and nonfood products (such as gift baskets) sold for a single price and to eliminate obsolete language in subdivisions (a)(1), (a)(2), (a)(3), and (a)(4) of Regulation 1602.

| <b><u>DECISION</u></b>  | <b><u>MEMBER</u></b>   | <b><u>BOARD VOTE</u></b> |
|---|--|--------------------------|
| No Final Determination.<br><br>The Public Hearing on Regulation 1602, <i>Food Products</i> , to be scheduled for hearing during the August 29, 2006 Board Meeting | Mr. Leonard<br>Mr. Parrish<br>Mr. Westly/Ms. Mandel<br>Ms. Yee<br>Mr. Chiang |                          |

**G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT****G1 Legal Appeals Matters**

| <b><u>DECISION</u></b>                        | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|---|-----------------------|--------------------------|
| Approved Staff Recommendations                | Mr. Leonard           | Yes                      |
| No Final Determination on Sub-Items # 1 and 2 | Mr. Parrish           | Yes                      |
|   | Mr. Westly/Ms. Mandel | Yes                      |
|   | Ms. Yee               | Yes                      |
|   | Mr. Chiang            | Yes                      |

- Petition for Rehearing
  1. Michael A. Olin, 252307 (UT)
- Hearing Notice Sent – No Response
  2. Paragon Industries, Inc., 219180, 246246 (KHO)
  3. Roy Edward Dryer, 296116 (KH)
- Petitions for Release of Seized Property
  4. Maria Valencia, 349660 (ET)
  5. Truman Chao, 349573 (ET)
  6. Anthony Hemenes, III, 352209 (ET)
  7. Claudia C. Iniguez, 351326 (ET)

**G2 Franchise and Income Tax Matters**

| <b><u>DECISION</u></b>                 | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|--|-----------------------|--------------------------|
| Approved Staff Recommendations         | Mr. Leonard           | Yes                      |
| No Final Determination on Sub-Item # 2 | Mr. Parrish           | Yes                      |
|  | Mr. Westly/Ms. Mandel | Yes                      |
|  | Ms. Yee               | Yes                      |
|  | Mr. Chiang            | Yes                      |

## ➤ Decisions

1. Norman Desilva, 327446
2. Gold Country Women Investment Club, 287988
3. Scott Lockard, 311188
4. Stephen Vincent Muro, 327861
5. C. J. Percival, 328129
6. Crystal A. Poole, 334621
7. Fernando T. Tonolet, 311980
8. Teofilo B. Ulanday, 315120
9. Shuranda Walker, 312584

**G3 Homeowner and Renter Property Tax Assistance Matter**

| <b><u>DECISION</u></b>        | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|-------------------------------|-----------------------|--------------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes                      |
|                               | Mr. Parrish           | Yes                      |
|                               | Mr. Westly/Ms. Mandel | Yes                      |
|                               | Ms. Yee               | Yes                      |
|                               | Mr. Chiang            | Yes                      |

## ➤ Decision

1. Jamark Jackson, 329962

**G4 Sales and Use Taxes Matters**

| <b><u>DECISION</u></b>         | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|--------------------------------|-----------------------|--------------------------|
| Approved Staff Recommendations | Mr. Leonard           | Yes                      |
|                                | Mr. Parrish           | Yes                      |
|                                | Mr. Westly/Ms. Mandel | Yes                      |
|                                | Ms. Yee               | Yes                      |
|                                | Mr. Chiang            | Yes                      |

- Redeterminations
  1. American Capital Resources, Inc., 332009 (OH)
  2. SFC Capital Group Corporation, 332008 (OH)
  3. Flamingo Motors, Inc., 255915 (FH)
- Relief of Penalty/Interest
  4. Cannon Power Corporation, 264771 (FHB)
- Denials of Relief of Penalty/Interest
  5. Muntaser Asad Ammari, 88898 (AS)
  6. Convergent Commctn Services, Inc., 304338 (OH)
  7. Wellborn Cabinet, Inc., 156506 (OHC)

**G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds**

| <b><u>DECISION</u></b>         | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b>                      |
|--------------------------------|-----------------------|---|
| Approved Staff Recommendations | Mr. Leonard           | Yes   |
|                                | Mr. Parrish           | Yes   |
|                                | Mr. Westly/Ms. Mandel | Yes – not participating in #14, 16 and 21     |
|                                | Ms. Yee               | Yes   |
|                                | Mr. Chiang            | Yes – not participating in #16, 17, 20 and 21 |

- Credits and Cancellations
  1. Northwest Test & Measurement, Inc., 348780 (GH)
  2. By Design Automotive, Inc., 349925 (AS)
  3. Marrissa Anne Fernandez, 350965 (EH)
- Refunds
  4. Metro Goldwyn Mayer Studios, Inc., 349492 (AS)
  5. Comcast of Los Angeles, Inc., 352284 (OH)
  6. New United Motor Mfg., Inc., 340719 (CH)
  7. Loveland Industries, Inc., 340484 (KHO)
  8. Toshiba America Medical Sys., Inc., 349435 (EA)
  9. Frontier Medical, Inc., 187686 (EA)
  10. City of El-Centro, 296920 (FHA)

11. Ferrari Color, Inc., 316699 (KH)
12. Siemens Med. Solutions USA, Inc., 346812 (OHB)
13. ATS Systems Oregon, Inc., 304352 (OH)
14. Daimler Chrysler Corporation, 350015 (CHA)
15. M & M Cabinets, Inc., 350280 (CH)
16. EBay, Inc., 332996 (GH)
17. Pacificare Hlth Plan Admnstrs, Inc., 347470 (EA)
18. Computer Process Controls, Inc., 345185 (OHC)
19. Nabisco, Inc., 207121 (OHA)
20. Arris International, Inc., 195331 (OHC)
21. Paypal, Inc., 332385 (GH)
22. Sprint Communications Company LP, 344806 (OHA)
23. Southern Western FCU, 315088 (EA)

**G6 Special Taxes Matters**

There are no items for this matter.

**G7 Special Taxes Matters – Credits, Cancellations, and Refunds**

| <u>DECISION</u>                | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|--------------------------------|-----------------------|-------------------|
| Approved Staff Recommendations | Mr. Leonard           | Yes               |
|                                | Mr. Parrish           | Yes               |
|                                | Mr. Westly/Ms. Mandel | Yes               |
|                                | Ms. Yee               | Yes               |
|                                | Mr. Chiang            | Yes               |

## ➤ Refunds

1. Aera Energy, LLC., 135130, 141624
2. Thrifty Payless, Inc., 353191

**There Are No Items For The Following Matters**

G8 Property Tax Matters

G9 Cigarette License Fee Matters

G10 Legal Appeals Property Tax Matters

**H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY****H1 Legal Appeals Matters**

## ➤ Petition for Rehearing

## 1. Cities of Los Angeles and San Jose, 352192

| <u><b>DECISION</b></u>                         | <u><b>MEMBER</b></u>  | <u><b>BOARD VOTE</b></u> |
|--|-----------------------|--------------------------|
| Petitioners' Petition for Rehearing<br>Granted | Mr. Leonard           | Yes                      |
|  | Mr. Parrish           | Yes                      |
|  | Mr. Westly/Ms. Mandel | No                       |
|  | Ms. Yee               | Yes                      |
|  | Mr. Chiang            | Yes                      |

## ➤ Cases Heard But Not Decided

## 2. Brenton Motor Works Incorporated, 252420 (FH)

| <u><b>DECISION</b></u>                          | <u><b>MEMBER</b></u>  | <u><b>BOARD VOTE</b></u> |
|---|-----------------------|--------------------------|
| Taxpayer's Petition Partially<br>Granted/Denied | Mr. Leonard           | Yes                      |
|   | Mr. Parrish           | Yes                      |
|   | Mr. Westly/Ms. Mandel | Yes                      |
|   | Ms. Yee               | Yes                      |
|   | Mr. Chiang            | Yes                      |

**H2 Franchise and Income Tax Matters**

## ➤ Decisions

## 1. Robert Elliot, 310555

| <u><b>DECISION</b></u>   | <u><b>MEMBER</b></u>  | <u><b>BOARD VOTE</b></u> |
|--------------------------|-----------------------|--------------------------|
| Taxpayer's Appeal Denied | Mr. Leonard           | Yes                      |
|                          | Mr. Parrish           | Yes                      |
|                          | Mr. Westly/Ms. Mandel | Yes                      |
|                          | Ms. Yee               | Yes                      |
|                          | Mr. Chiang            | Yes                      |



## 2. Steve Wachko, 301335

| <u>DECISION</u>          | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|--------------------------|-----------------------|-------------------|
| Taxpayer's Appeal Denied | Mr. Leonard           | Yes               |
|                          | Mr. Parrish           | Yes               |
|                          | Mr. Westly/Ms. Mandel | Yes               |
|                          | Ms. Yee               | Yes               |
|                          | Mr. Chiang            | Yes               |



## 3. Hannah Dawn Swift, 304424

| <u>DECISION</u>   | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|---|-----------------------|-------------------|
| Taxpayer's Petition for Rehearing Denied.<br><br>The Board's decision of April 18, 2006, was modified to reduce interest due. | Mr. Leonard           | Yes               |
|   | Mr. Parrish           | Yes               |
|   | Mr. Westly/Ms. Mandel | Yes               |
|   | Ms. Yee               | Yes               |
|   | Mr. Chiang            | Yes               |

**H3 Homeowner and Renter Property Tax Assistance Matters**

There are no items for this matter.

**H4 Sales and Use Taxes Matters**

There are no items for this matter.

**H5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds**

## 1. The Disney Store, Inc., 342078 (AC)

| <u>DECISION</u>              | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|------------------------------|-----------------------|-------------------|
| No Final Board Determination | Mr. Leonard           |                   |
|                              | Mr. Parrish           |                   |
|                              | Mr. Westly/Ms. Mandel |                   |
|                              | Ms. Yee               |                   |
|                              | Mr. Chiang            |                   |

## 2. 827, Inc., 293778 (UT)

| <u>DECISION</u>          | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|--------------------------|-----------------------|-------------------|
| Taxpayer's Claim Granted | Mr. Leonard           | Yes               |
|                          | Mr. Parrish           | Not Participating |
|                          | Mr. Westly/Ms. Mandel | Yes               |
|                          | Ms. Yee               | Yes               |
|                          | Mr. Chiang            | Yes               |

**H6 Special Taxes Matters**

## ➤ Refunds

## 1. W. A. Dwelle, Inc., 221382, 332363 (MT) 'CF'

| <u>DECISION</u>          | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|--------------------------|-----------------------|-------------------|
| Taxpayer's Claim Granted | Mr. Leonard           | Yes               |
|                          | Mr. Parrish           | Yes               |
|                          | Mr. Westly/Ms. Mandel | Not Participating |
|                          | Ms. Yee               | Yes               |
|                          | Mr. Chiang            | Yes               |

**There Are No Items For The Following Matters**

H7 Special Taxes Matters – Credits, Cancellations, and Refunds

H8 Property Tax Matters

H9 Cigarette License Fee Matters

H10 Legal Appeals Property Tax Matters

**I. TAX PROGRAM NONAPPEARANCE MATTERS****I1 Property Taxes Matters**

Unitary Land Escaped Assessment

## 1. Duke Energy Morro Bay (1104) – “CF”

| <u>DECISION</u>               | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|-------------------------------|-----------------------|-------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes               |
|                               | Mr. Parrish           | Yes               |
|                               | Mr. Westly/Ms. Mandel | Not Participating |
|                               | Ms. Yee               | Yes               |
|                               | Mr. Chiang            | Yes               |

**I2 Offers-in-Compromise Recommendations****1. Graciela Rios**

| <b><u>DECISION</u></b>        | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|-------------------------------|-----------------------|--------------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes                      |
|                               | Mr. Parrish           | Yes                      |
|                               | Mr. Westly/Ms. Mandel | Yes                      |
|                               | Ms. Yee               | Yes                      |
|                               | Mr. Chiang            | Yes                      |

**2. Riaz and Gulfroze Khan**

| <b><u>DECISION</u></b>        | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|-------------------------------|-----------------------|--------------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes                      |
|                               | Mr. Parrish           | Yes                      |
|                               | Mr. Westly/Ms. Mandel | Yes                      |
|                               | Ms. Yee               | Yes                      |
|                               | Mr. Chiang            | Yes                      |

**CHIEF COUNSEL MATTERS****J. Rulemaking****Section 100 Change to Regulations****J1 Sales and Use Tax Regulation 1620, *Interstate and Foreign Commerce***

| <b><u>DECISION</u></b>        | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|-------------------------------|-----------------------|--------------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes                      |
|                               | Mr. Parrish           | Yes                      |
|                               | Mr. Westly/Ms. Mandel | Yes                      |
|                               | Ms. Yee               | Yes                      |
|                               | Mr. Chiang            | Yes                      |

**There Are No Items For The Following Matters****K. Business Taxes****L. Property Taxes**

**M. Other Chief Counsel Matters**

Taxpayers' Bill of Rights Follow-Up Report

M1 Cigarette and Tobacco Products Licensing Act (AB 71)

Request approval to publish *Inspection Fact Sheet* or *Fact Sheet* with *Inspection Survey* attached.

| <u>DECISION</u>   | <u>MEMBER</u>        | <u>BOARD VOTE</u> |
|---|----------------------|-------------------|
| Approved the publishing of the <i>Inspection Fact Sheet</i> , as revised to include an e-mail address | Mr. Leonard          | Yes               |
|   | Mr. Parrish          | Yes               |
|   | Mr. Westly/Ms Mandel | Yes               |
|   | Ms. Yee              | Yes               |
|   | Mr. Chiang           | Yes               |

**ADMINISTRATIVE SESSION****N. Consent Agenda****N1 Retirement Resolutions**

- Robbin E. Blomquist
- Linda Lack
- Kenja A. Miyamoto

| <u>DECISION</u>                | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|--------------------------------|-----------------------|-------------------|
| Approved Staff Recommendations | Mr. Leonard           | Yes               |
|                                | Mr. Parrish           | Yes               |
|                                | Mr. Westly/Ms. Mandel | Yes               |
|                                | Ms. Yee               | Yes               |
|                                | Mr. Chiang            | Yes               |

N2 Approval of Board Meeting Minutes

- May 22, 2006

| <u>DECISION</u>  | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|--|-----------------------|-------------------|
| Approved Minutes as presented.<br>The minutes can be accessed at:<br><a href="http://www.boe.ca.gov/meetings/pubmeet06.htm">http://www.boe.ca.gov/meetings/pubmeet06.htm</a> | Mr. Leonard           | Yes               |
|  | Mr. Parrish           | Yes               |
|  | Mr. Westly/Ms. Mandel | Yes               |
|  | Ms. Yee               | Yes               |
|  | Mr. Chiang            | Yes               |

## N2 Approval of Board Meeting Minutes

- May 22, 2006

| <b><u>DECISION</u></b>   | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|--|-----------------------|--------------------------|
| Approved Minutes as presented.<br>The minutes can be accessed at:<br><a href="http://www.boe.ca.gov/meetings/pubmeet06.htm">http://www.boe.ca.gov/meetings/pubmeet06.htm</a> | Mr. Leonard           | Yes                      |
|  | Mr. Parrish           | Yes                      |
|  | Mr. Westly/Ms. Mandel | Yes                      |
|  | Ms. Yee               | Yes                      |
|  | Mr. Chiang            | Yes                      |

## N3 Approval of time extensions for Alpine, Amador, Inyo and Mendocino Counties to complete and submit 2006-07 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155

| <b><u>DECISION</u></b>        | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|-------------------------------|-----------------------|--------------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes                      |
|                               | Mr. Parrish           | Yes                      |
|                               | Mr. Westly/Ms. Mandel | Yes                      |
|                               | Ms. Yee               | Yes                      |
|                               | Mr. Chiang            | Yes                      |

## O. Approval of Board Committee Meeting Minutes

## O1 Legislative Committee

| <b><u>DECISION</u></b>   | <b><u>MEMBER</u></b> | <b><u>BOARD VOTE</u></b> |
|--|----------------------|--------------------------|
| Approved the Legislative Committee Recommendations/Minutes for Agenda Items 1, 3, 4, 5, 6, 7 and 8<br><br>The minutes can be accessed at:<br><a href="http://www.boe.ca.gov/legdiv/legmeetings06.htm">http://www.boe.ca.gov/legdiv/legmeetings06.htm</a> | Mr. Leonard          | Yes                      |
|  | Mr. Parrish          | Yes                      |
|  | Mr. Westly/Ms Mandel | Yes                      |
|  | Ms. Yee              | Yes                      |
|  | Mr. Chiang           | Yes                      |

| <u>DECISION</u>   | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|---|-----------------------|-------------------|
| Approved Staff Recommendation for Agenda Item 2. AB 926 (Chu)   | Mr. Leonard           | Yes               |
|   | Mr Parrish            | Yes               |
| The minutes can be accessed at:   | Mr. Westly/Ms. Mandel | Yes               |
| <a href="http://www.boe.ca.gov/legdiv/legmeetings06.htm">http://www.boe.ca.gov/legdiv/legmeetings06.htm</a> | Ms. Yee               | Yes               |
|   | Mr. Chiang            | No                |

**P. Other Administrative Matters****P1 Executive Director's Report**

Executive Director's opportunity to report on matters of interest to the Board.

1. Bureau of State Audits' Report on Cigarette and Tobacco Products Licensing Act (AB71)
2. Information Technology Contract Awarded to KPMG - Update
3. Final Budget Action FY 2006-2007 – Update

| <u>DECISION</u>                 | <u>MEMBER</u>         |
|---------------------------------|-----------------------|
| No Action Required/Updates Only | Mr. Leonard           |
|                                 | Mr. Parrish           |
|                                 | Mr. Westly/Ms. Mandel |
|                                 | Ms. Yee               |
|                                 | Mr. Chiang            |

**P2 Adoption of the 2006-07 Private Railroad Car Tax Rate – “CF”**

| <u>DECISION</u>               | <u>MEMBER</u>         | <u>BOARD VOTE</u> |
|-------------------------------|-----------------------|-------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes               |
|                               | Mr. Parrish           | Yes               |
|                               | Mr. Westly/Ms. Mandel | Not Participating |
|                               | Ms. Yee               | Yes               |
|                               | Mr. Chiang            | Yes               |

**P3 Adoption of the 2006 Private Railroad Car Roll – “CF”**

| <b><u>DECISION</u></b>        | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|-------------------------------|-----------------------|--------------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes                      |
|                               | Mr. Parrish           | Yes                      |
|                               | Mr. Westly/Ms. Mandel | Not Participating        |
|                               | Ms. Yee               | Yes                      |
|                               | Mr. Chiang            | Yes                      |

**P4 Adoption of the 2006 State Assessed Property Roll – “CF”**

| <b><u>DECISION</u></b>        | <b><u>MEMBER</u></b>  | <b><u>BOARD VOTE</u></b> |
|-------------------------------|-----------------------|--------------------------|
| Approved Staff Recommendation | Mr. Leonard           | Yes                      |
|                               | Mr. Parrish           | Yes                      |
|                               | Mr. Westly/Ms. Mandel | Not Participating        |
|                               | Ms. Yee               | Yes                      |
|                               | Mr. Chiang            | Yes                      |

**ADJOURNED**